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New York

SUMMARY RECORD OF THE 4th MEETING

Chairman: Mr. PETRESKI (The former Yugoslav Republic of Macedonia)

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The meeting was called to order at 10.15 a.m.

GENERAL DEBATE (continued)

1. Ms. ULLOA (Ecuador) said that the fiftieth session of the General Assembly offered a historic opportunity for placing genuine political will at the service of the debate on the restructuring of the Organization. No one could deny the success achieved by the United Nations during its 50 years of existence in promoting peace and development. In an ever-changing world market by growing interdependence, however, the individual must be at the heart of all thinking and action. Selfishness and indifference must therefore be overcome in order to combat the scourges which still afflicted humankind, including poverty, unemployment, illiteracy, insufficient housing and malnutrition, thereby achieving sustainable human development in all areas.

2. Accordingly, the Second Committee must have an agenda that was both flexible and directive and must establish a set of substantive themes and priorities with a new thrust. Instead of being based on an interminable and repetitive list of items whose consideration had thus far yielded meagre results, the debate could be made more productive by being clarified and refocused. Moreover, the practice of holding long sessions, requesting an increasing number of documents and establishing numerous working groups had served only to highlight the economic difficulties of Member States. At the same time, it was essential that reports should be issued on time.

3. At the current session the Second Committee would be considering the report of the Economic and Social Council and the triennial policy review of operational activities for development, which were of great significance, bearing in mind, of course, that the circumstance of the United Nations were worsening daily, owing to the international community's refusal to provide it with the financing it needed to implement all its programmes. In view of the moral obligation to ensure a better quality of life for all people, the industrialized world must, without fail, find the financial resources that it had pledged, in particular the long-awaited 0.7-per cent of gross national product (GNP) for official development assistance (ODA). The developing countries must also review their national plans and, in the spirit of the Quito Declaration, adopted on 5 September 1994 by the Heads of State and Government of the Rio Group, manage public funds in a transparent and effective manner and reaffirm their willingness to combat corruption.

4. The current global crisis called for a change in perspective and a redistribution of resources in the direction of more diversified assistance. With regard to the reform and revitalization of the Economic and Social Council called for in General Assembly resolutions 45/264 and 48/162, her delegation was in favour of substantive changes rather than changes of form. More specific items should be included in the Council's agenda and efforts should be made to avoid re-examining old issues. The high-level debate should result in concrete commitments to effective action. The goal of the dialogue with the Bretton Woods institutions should be to increase collaboration between those institutions and the United Nations system.

5. External debt was the main reason that the developing countries were unable to overcome the economic crisis. While the least developed countries had certainly benefited from debt forgiveness, middle-income countries were still grappling with structural adjustment programmes which distorted their economies and entailed a high social cost. As aware as they might be of their obligations, those countries could not tolerate so much human suffering, especially since full development could not take place under the weight of measures so draconian and disproportionate to local circumstances.

6. With regard to the current debate on international economic cooperation and, in particular, on the revitalization of the economic growth and development of the developing countries, it should be pointed out that in practice very little respect was shown for the principle of equitable terms of trade. Member States should strive to realize the goal of equity and move beyond empty rhetoric. The review of long-term economic and social development trends should adopt a more immediate and urgent focus.

7. The developing countries needed to strengthen their economic and technical cooperation ties, particularly with countries that had already or nearly attained a satisfactory level of development and could thus share their markets, trading capacities and technological skill with their partners. To do so required subregional, regional and global integration because no country, however developed, could stand alone; at the same time, such complementary action must be just, equitable and sound.

8. In the area of the environment, the Committee had to review the implementation of the decisions and recommendations of the United Nations Conference on Environment and Development, which had been a milestone in that field. The Conference had helped the international community, from the highest forums to the man in the street, become aware of the need to protect the environment. That momentum must be built on in order to ensure the full implementation of all the elements of Agenda 21, which would subsequently be taken as the basic reference work for sustainable human development.

9. The Rio Conference had been followed by a number of conferences, each giving rise to a programme of action. The United Nations Conference on Human Settlements (Habitat II), to be held at Istanbul in June 1996, was part of that movement. The Conference, which would be the last United Nations conference of the twentieth century, would be taking a completely different approach: all sectors - Government, local authorities, international organizations, non-governmental organizations and civil society - would be participating with a view to ensuring adequate housing for all, strengthening the rural sector and slowing down the development of enormous urban agglomerations. It was thus in the promising context of the fiftieth anniversary that her delegation would pledge to join in concerted efforts to ensure the welfare of present and future generations.

10. Mr. PROVENCIO (Mexico) said that the current session offered an invaluable opportunity to take stock of what had been achieved, to give further thought to issues requiring greater effort and to reaffirm the founding purposes and principles of the Organization. In that context Mexico wished to state formally

that it was determined to contribute to the success of the agenda for development.

11. Whereas there had been a distinct improvement in the international economic scene in 1994, any current optimism was misplaced. The situation of the Latin American and Caribbean countries was no exception in that regard. According to forecasts by the United Nations Conference on Trade and Development (UNCTAD), the growth rate in the region would reach only 2 per cent in 1995 as against 3.7 per cent in 1994, not to mention other worrying indicators such as unemployment, which was still increasing, and the decline in real wages, which was leading to a general decline in the standard of living. Yet the region was still attempting to overcome inflation, open up trade and carry out wide-ranging State reforms through sweeping privatization.

12. The growing globalization of production, trade and finance was a force for economic and social development, but the challenge and risks involved in that process were considerable. For that reason, international organizations must work together so that they could face such new developments as the serious financial crisis that had recently shaken Mexico. Indeed, the economic upheavals suffered by Mexico should give rise to reflection on the vulnerability of the international financial system and of economies which, like Mexico's, had become too dependent on international financial flows. But it was not enough to advocate the free, ordered, stable and transparent development of international financial markets if no specific proposals were put forward for revitalizing the role of the Bretton Woods institutions. Mexico's position on that issue concerned two points: the quota system - with its corollary, voting conditions - and the resources available to those institutions. The principles currently governing the quota structure in the Bretton Woods institutions, valid as they might have been 50 years earlier, were out of date. As a rule, the developing countries' participation in the institutions' capital was undervalued and their voting power inadequate. If the financial institutions, unlike the United Nations, did away with the principle that each country had one vote and if voting power corresponded to the number of shares, then the shares ought to be distributed in proportion to a country's economic situation. As for the resources of international financial institutions, only very large sums would be sufficient to tackle current needs. Yet the opposite route had been chosen: the capital of the International Monetary Fund (IMF), which 50 years earlier had been roughly equivalent to 13 per cent of the volume of international trade, currently amounted to no more than 2 per cent. The Bretton Woods institutions were not the only means of maintaining the stability of the international financial system, but their progressive marginalization could prove dangerous.

13. The economic crisis in Mexico was due to a complex series of political and economic factors, both internal and external. Paradoxically, Mexico had actually been the victim of its own success. When it had first appeared on the world economic scene, in 1986, a period of moderate but sustained economic growth had ensued, coupled with a notable slowing down of inflation. That good performance had attracted a growing volume of foreign capital which in turn had increased the value of the currency, leading to growing current account deficits. All those factors, together with the financial liberalization process, had brought about a net reduction in national savings, with serious consequences for the future. In 1994 the country had been shaken by a

succession of traumatic political events, following which a substantial proportion of the national debt, previously underwritten in national currency, had had to be underwritten largely in foreign currency. Due dates, however, had drawn nearer. Originally, the setbacks of 1994 had been seen as a transient phenomenon which could be dealt with by introducing financial measures. That was what the Mexican authorities had done in 1994, with the support of the international community, which had initiated an unprecedented bail-out to help Mexico solve a massive liquidity problem, given that a third of the country's external debt fell due during the year. That financial arrangement had not increased the size of Mexico's debt; short-term debt at high interest rates had simply been converted to medium-term debt at a lower rate of interest.

14. At the time of its financial crisis, Mexico had had to make good an external financing gap amounting to more than 8 per cent of gross domestic product (GDP). It had been the first time since the end of the Second World War that a country had had to undertake such rigorous adjustments; they had been difficult to manage at the political and social level, yet they had managed to reactivate Mexico's short-term economic growth and broaden its prospects for the future. Whatever the social cost of such measures might be, the country would have suffered much more had there been no policy at all or any kind of stalling. Thus Mexico's main achievements of recent years, particularly its place in the world economy, had not been threatened. Whereas, in 1994 the trade deficit had been $19 billion, a surplus of nearly $7 billion had been recorded in 1995, owing to the fact that imports had been maintained practically at their previous level and exports had increased by 30 per cent. The key to that success, in addition to the consistency of Mexico's trade policy, was the role played by the country's main trading partners. It had been wrong to blame the free trade agreements with Canada and the United States, which had, on the contrary, played a key role in solving Mexico's economic problems.

15. Three years after the United Nations Conference on Environment and Development, the progress achieved in formulating and implementing the various instruments arising out of the agreements reached at the Conference should be reviewed, particularly where the concept of sustainability was concerned. One of the main ways of raising awareness of environmental issues was undoubtedly reflected in the emergence of a whole range of new programmes and procedures both within the United Nations system and outside it. Care should, however, be taken that such a diversity of contributors did not muddy the issue altogether; the threads of the discussion that had led to the Conference should be taken up again so that an effective check could be put on the progressive deterioration of the environment. Sustainable development required that directions and guidelines should be defined to make clearly visible the positive links between the environment, job creation, fairer income distribution and the elimination of poverty.

16. He wished to mention two subjects that his country considered particularly important, namely, industrialization and migration. Industrialization was an essential instrument of development for a good number of countries; international cooperation in the field of industry was thus very important. While some developing countries were indeed seriously under-industrialized, it should be noted that UNIDO could play a fundamental role in counteracting that trend. With regard to migration, the international economic system was again

paradoxical. The whole world agreed that man was the central actor and the main beneficiary of development and that goods, services, capital and ideas should therefore circulate freely; the free circulation of people, however, was a dead letter. Although migration clearly had a positive impact on both the sending and the receiving communities, there was reason to be concerned about the increase in racism and xenophobia vis-à-vis migrant workers. The phenomenon of migration was by its very nature a complex one; in order to avoid falling into a simplistic or Manichean approach, an analysis should be made of the main issues involved. Regional meetings of expert groups should be held in order to establish the difference between regional and subregional migration and between migrant workers and refugees and displaced persons. It should then be possible to reach consensus on the convening of a United Nations conference on migration and development that would lead to increased international cooperation in that field.

17. Mr. DUGAN (United States of America) said that his delegation, like many others, felt that the general debate was too repetitive. For the sake of economy, therefore, it would make its substantive remarks within debates on relevant agenda items. Since the adoption of General Assembly resolution 48/162, on further measures for the restructuring and revitalization of the United Nations in the economic, social and related fields, the Second Committee had improved its operations. For example, it now considered issues biennially in coordination with the Economic and Social Council; its meetings were more efficiently chaired; resolutions were better focused, and it had concluded its work on schedule.

18. In order to further improve the effectiveness of its work, the Committee should avoid calling for new United Nations conferences until the current series was complete (ending with Habitat II in 1996) and there had to be sufficient time to follow up in a coordinated fashion. The General Assembly itself was a major global conference. Omnibus resolutions also provided an economical way to address closely related issues, and could be used, in particular, for countries that had certain characteristics in common (for example, land-locked countries). Draft resolutions that called for follow-ups to previous follow-ups to studies should be eliminated and, following the example of the United Nations Development Programme, superfluous preambular paragraphs should be eliminated. In order to rationalize the work of an already heavily burdened Secretariat, only essential - and concise - reports should be requested of it. As the triennial policy review of operational activities for development would be undertaken shortly, the Committee should approach its role with the end-user, at the field level, foremost in mind, not with the routine habits of the bureaucracy.

19. Member States were asking more of the United Nations, and that was a sign of confidence in its utility. Members should show the world that they were in touch with what really mattered, and that they knew how the Organization could be used to attain their objectives.

20. Mr. MONGBE (Benin) said that, in general terms, his delegation agreed with the views expressed by the delegation of the Philippines, on behalf of the Group of 77 and China, regarding the various items that were on the agenda of the Second Committee. He would therefore focus his statement on only three of them,

as well as on an item that was on the agenda of the plenary of the General Assembly but had also been addressed by the Committee (the United Nations New Agenda for the Development of Africa in the 1990s).

21. With regard to the implementation of the Programme of Action for the Least Developed Countries for the 1990s, he noted that the High-level Intergovernmental Meeting on the Mid-term Global Review had indeed taken place, but that the anticipated financial resources had not been provided. The objective of 0.15 per cent of GNP for official aid to the development of the least developed countries had not been attained either. Nevertheless, those countries had carried out political and economic reforms, at great sacrifice to their people; unfortunately, those reforms had not produced the desired results. Consequently, the resolution to be submitted on the question should not only take into account the results of the Meeting, but should also provide guidance regarding the fulfilment of commitments undertaken with regard to the LDCs in the framework of various United Nations programmes, as well as of international legal instruments pertaining to environment and development.

22. With regard to the struggle against poverty, he pointed out that the programme of activities of the International Year for the Eradication of Poverty should be reviewed and, in accordance with the Programme of Action of the World Summit for Social Development, a draft resolution should be submitted to the General Assembly at a plenary meeting to reflect the solidarity of all delegations with the poor. That solidarity should also focus on Africa, the development of which had been discussed during the high-level debate of the Economic and Social Council, in the context of the implementation of the United Nations New Agenda for the Development of Africa in the 1990s. It should be borne in mind that the international community was, in fact, partly responsible for the current situation of the continent.

23. The agenda for development, to be drawn up by the open-ended working group established by the General Assembly to elaborate the objectives of the international community up to the year 2000 and beyond, should facilitate economic and social progress, broaden the dialogue to include all members of the international community and establish specific priority objectives. Those objectives should include the mobilization of additional financial resources for the developing countries, the participation of those countries in international cooperation, the fulfilment of financial commitments, the development of human resources at the national level, economic growth to promote social progress and lasting development, measures to control population pressures that would be compatible with national culture and religious beliefs, the participation of women in development, democracy and respect for rights and liberties. The agenda for development should not be a catalogue of pious wishes but should be the counterpart of the Agenda for Peace. It should provide a schedule for the implementation of specific commitments, matched with the necessary resources, strengthen coordination within the United Nations system, and create the necessary conditions to ensure a decent and peaceful life for all mankind.

ELECTION OF OFFICERS (continued)

24. The CHAIRMAN informed members that the Group of Asian States had nominated Mr. Zoubi (Jordan) for the office of Rapporteur.

25. Mr. Zoubi (Jordan) was elected Rapporteur by acclamation.

The meeting rose at 11.10 a.m.